

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1795 - SB 1987

February 8, 2014

SUMMARY OF BILL: Requires all public and private corporations providing sewer service to extend a 25 percent discount on all fees to customers aged 65 years or older. Such corporations may require customers to provide proof of age to receive the discount.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the 2010 Federal Census, there are 853,462 citizens of the state aged 65 years or older.
- According to the Office of the Comptroller of the Treasury, any fiscal impact to the agency as a result of the provisions of the bill can be absorbed within existing resources and with the current staff of the Water and Wastewater Financing Board.
- According to information provided by the Tennessee Regulatory Authority (TRA), the TRA regulates 12 wastewater utilities, serving approximately 3,300 residential customers and approximately 1,000 commercial or industrial customers, which would be impacted by the provisions of the bill.
- According to information provided by the TRA and the Tennessee Association of Utility Districts (TAUD), impacted utilities will increase rates for customers not aged 65 years of age or older to cover losses of revenue by the utility.
- According to TRA, impacted utilities regulated by the TRA would file petitions for rate increases to offset lost revenue; however TRA estimates any fiscal impact as a result of an increased number of filed petitions can be covered within existing resources.
- Any impact to state and local government as a result of the provisions of the bill are estimated to be not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

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Assumptions:

- According to the TRA and TAUD, rates of customers not receiving the discount would be increased to cover the loss of revenue associated with the rate discount offered individuals age 65 and over. Therefore, any net change to total revenue of companies providing sewer service is not significant.
- The decrease in disposable income of customers under the age of 65 as a result of increased sewer rates is expected to equal the increase in disposable income of customers age 65 and over as a result of reduced sewer rates. Therefore, any net impact to disposable income, and any subsequent net impact to business revenue, is considered not significant.
- Given that total net business revenue is not anticipated to change as a result of this bill, any net change in business expenditures, and thus net income, is considered not significant.
- Net impact to Tennessee jobs is considered not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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